

Message Text

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TAGS: BGEN, AU, US

SUBJECT: COMMERCE ANTI-RECESSION EXPORT CAMPAIGN

REF: A) A-2778; B) STATE 134740; C) VIENNA A-181, MAY 29

1. SUMMARY - POST'S PROPOSALS FOR IMPLEMENTING COMMERCE'S ANTI-RECESSION EXPORT CAMPAIGN WITHIN EXISTING RESOURCES ARE PRESENTED BELOW. SUGGESTIONS ARE MADE WITHIN FRAMEWORK OF PRESENT TRENDS IN AUSTRIA'S ECONOMY, ALSO UNDERGOING DECELERATION. WE RECOMMEND INTENSIFIED USE OF CATALOG SHOWS, ADS'S, BSP'S AND TO'S AS BEST MEANS TO CARRY OUT PROGRAM HERE IN THOSE INDUSTRIES WE IDENTIFY AS HAVING REAL MARKET POTENTIAL.

2. STATE OF ECONOMY - AUSTRIAN ECONOMY HAS SLOWED DOWN AFTER SEVEN-YEAR BOOM AND IS HIT BY SLACKENING GROWTH, NAGGING INFLATION AND DECLINING FOREIGN DEMAND. IN FIRST HALF 1975, U.S. EXPORTS TO AUSTRIA REFLECTED THIS DOWNWARD TREND. PROSPECTS ARE THAT IN SHORT RUN AUSTRIAN ECONOMY WILL PROBABLY REMAIN SLACK AND THAT THIS WILL HAVE CONTINUED EFFECT ON U.S. EXPORTS. GOA IS FIGHTING RECESSION, HOWEVER, AND COUNTING ON REVIVAL OF CONSUMPTION IN SECOND HALF OF THIS YEAR. OVER
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LONGER TERM, PROSPECTS ARE THAT U.S. EXPORTS SHOULD

DO VERY WELL IN THIS MARKET. U.S. GOODS ENJOY SIGNIFICANT COMPETITIVE ADVANTAGE DUE TO DOLLAR/SCHILLING RELATION AND ARE FOUND HERE TO BE VERY ATTRACTIVE IN TERMS OF QUALITY AND PRICE; ALTHOUGH THIS ADVANTAGE IS LESSENERED BY HIGHER TRAFFS THAN PREVAIL WITH EEC TRADING PARTNERS AND EFTA ZERO RATES.

3. ANTI-RECESSION EXPORT CAMPAIGN AND THE CCP - FOUR OF U.S. RECESSION-HIT INDUSTRIES WITH EXPORT POTENTIAL ARE INCLUDED IN CAMPAIGNS OF FY-76 CCP FOR AUSTRIA: (A) ELECTRONIC COMPONENTS AND ACCESSORIES (B) METAL WORKING MACHINES AND MACHINE TOOLS (C) BUILDING AND CONSTRUCTION MACHINERY AND SUPPLIES AND (D) CONSUMER GOODS. THESE ARE CARRIED INTO THE FY-77 CCP. WE PROPOSE TO EMPHASIZE THESE CAMPAIGNS AS PART OF OUR ANTI-RECESSION EXPORT CAMPAIGN.

4. POST BELIEVES THAT FOLLOWING GOODS HAVE MARKET POTENTIAL HERE:

A. CAPITAL GOODS:

- RADIO AND HIGH-FI SOUND RECORDING AND RE-PRODUCTION EQUIPMENT ONLY
- ELECTRONIC COMPONENTS AND ACCESSORIES
- REFRIGERATION MACHINERY
- ELECTRICAL TESTING EQUIPMENT
- MOBILE ELECTRICAL GENERATING EQUIPMENT ONLY
- METAL WORKING MACHINES AND MACHINE TOOLS
- PLUMBING AND HEATING SUPPLIES
- VALVES, PIPES AND PIPE FITTINGS
- TURBINES FOR ELECTRIC POWER GENERATORS
- FARM MACHINERY (SPECIALIZED EQUIPMENT FOR FARMS BETWEEN 20 AND 100 ACRES, IRRIGATION EQUIPMENT AND SPECIALIZED HARVESTING MACHINES)
- FARM WHEEL TRACTORS
- SELF-PROPELLED COMBINES
- PUMPS AND COMPRESSORS
- CHEMICAL PROCESSING MACHINERY
- BUILDING AND CONSTRUCTION MACHINERY AND SUPPLIES

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B. CONSUMER GOODS - OVERALL POTENTIAL EXCELLENT

- LOWER-PRICED AND ELECTRONIC WATCHES, NOVELTY AND ANTIQUE REPRODUCTION CLOCKS
- COSTUME JEWELRY AND NOTIONS
- HAND TOOLS AND HARDWARE
- HOUSEHOLD SMALL APPLIANCES (IF ADAPTED TO LOCAL

CYCLES AND VOLTAGE)

- ELECTRIC HOUSEWARES AND FANS (IF ADAPTED TO LOCAL CYCLES AND VOLTAGE)
- METAL OFFICE FURNITURE
- TOYS, SPORTING AND ATHLETIC GOODS
- TEXTILES AND CLOTHING (YARN, FABRICS, TOWELING, BEACHWEAR, PERMANENT PRESS HOUSEHOLD AND HOTEL LINENS, FLOOR COVERINGS).
- MEN'S AND BOYS' WARE (WASH AND WARE, EASY CARE AND PERMANENT PRESS SHIRTS AND SPORTSWARE)
- WOMEN'S AND MISSES' WARE (LOUNGERIE, SLEEPWARE AND HOSIERY)
- CHILDREN'S WARE (ALL EASY-CARE ITEMS).

EQUIPMENT AND ITEMS OMITTED FROM THE LIST OF P.7 OF REF A) WERE CONSIDERED TO HAVE NEGLIGIBLE OR NO MARKET POTENTIAL IN AUSTRIA.

5. POSSIBILITIES FOR PROMOTION UTILIZING EXISTING RESOURCES AT POST -

A) HOLDING SEVERAL VERTICAL OR SECTORAL CATALOG SHOWS AT EAST-WEST TRADE CENTER. (THESE PREHAPS COULD BE ARRANGED IN CONJUNCTION WITH SHOWS AT OTHER EUROPEAN POSTS.) CONSUMER GOODS CATALOG SHOW COULD BE ACROSS-THE-BOARD TYPE.

B) FEATURE ARTICLES IN COMMERCIAL NEWSLETTER ON RECESSION-HIT PRODUCTS.

C) CONCENTRATE TO DEVELOPMENT ON RECESSION-HIT INDUSTRIES.

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D) SHIFT MAIN EMPHASIS IN FOREIGN BUYER PROGRAM TO ACTIVITIES AND EVENTS FEATURING RECESSION-HIT INDUSTRIES.

6. POST SUGGESTIONS FOR COMMERCE ACTION:

A) ENCOURAGE SUBJECT INDUSTRIES TO UTILIZE ADS

B) ENCOURAGE FIRMS CONCERNED TO SUPPLY POST WITH PRICE LISTS AND/OR DOCUMENTED OFFERS FOR PUBLICATION IN COMMERCIAL NEWSLETTER AND OTHER DISSEMINATION.

C) GENERATE BSP'S, WHICH ARE LOW-COST HERE AND

HIGHLY SUCCESSFUL.

D) WITH POST AND WAG, PLACE MORE EMPHASIS IN
FY-77 CCP ON CAMPAIGNS SUPPORTING RECESSION-
HIT INDUSTRIES.BUCHANAN

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